
Credit Union Department



NEWSLETTER

No. 11-04

www.tcred.state.tx.us

November 30, 2004

BACKGROUND CHECK ON BROKER-DEALERS

Newly adopted subsection (f)(2) of Rule 91.802 requires credit unions to check the background of the primary sales representative and the local broker-dealer firm prior to purchasing an investment through a broker-dealer and annually thereafter. A quick and easy resource that credit unions can use to accomplish this background check is the website for the National Association of Securities Dealers. Log in to www.nasd.com and click on "NASD Broker Check" on the right hand side under "Investment Information". From there, follow the prompts. You can choose to look up individual brokers or a broker-dealer firm. It is helpful if you have the individual's or firm's CRD number, but it is not necessary. There is even a firm directory to help you locate the firm's full corporate name. For individual brokers, you can find out approved registrations, employment history and any disclosure events that have been filed against that individual. For firms you can find out information on their type of business, legal status, registrations and disclosure events.

CHANGE 9, RULES FOR TEXAS CREDIT UNIONS

On November 24, 2004, Change 9 to update the Rules for Credit Unions was mailed to all credit unions. The effective date of this revision is November 14, 2004. Additional copies of the rules or any updates may be purchased from the Texas Credit Union League, P. O. Box 655147, Dallas, Texas 75265.

NEWSLETTER NOTICE

As required by statute, each state agency must obtain an annual confirmation from individuals receiving monthly publications at no charge. Specifically, the law requires that a notice be placed in three consecutive issues of the publication, and that anyone desiring to continue to receive the publication must so indicate in writing. Please submit the enclosed form to our office if you desire to continue to receive the Department's newsletter each month. Faxes are welcomed ([Click here for the form](#)).

If you responded to last month's notice, you need not take any further action.

CREDIT UNION MEMBER COMPLAINTS FILED

During the past fiscal year, the Department processed 82 complaints from credit union members involving 37 credit unions. The complaints included issues such as cross-collateralization clauses in loan contracts, addition of single-interest insurance premiums to loan balances, disputed cash deposits, and a myriad of others. For every written complaint that is submitted, numerous calls from disgruntled members are either explained satisfactorily by Department staff, or the complainant does not follow-up with a formal written complaint. Although some of the complaint issues are the member's misinterpretation of a loan contract, account agreement, or other agreement, a number of complaints are about customer service issues and credit union policies. The Department appreciates the promptness with which all credit unions respond to written member complaints.

FILING OF IRS FORM 990, AUTHORIZATION EXEMPT FROM INCOME TAX

Section 15.412 of the Texas Finance Code authorizes the Department to file a consolidated Form 990, Group Return with the Internal Revenue Service on behalf of all credit unions under the Department's jurisdiction. The Department was authorized by the Internal Revenue Service on June 18, 1976 to file a consolidated group return under Group Exemption Letter #2742.

Included with the mailing of the year-end call reports will be an authorization form to be completed by each credit union and returned to this office on or before **January 24, 2005**. The credit union will certify that the information submitted is true and correct and will authorize the Department to include the credit union's information in the group return.

Please note that credit unions having unrelated business income of \$1,000 or more are also individually responsible for filing an IRS Form 990-T.

PUBLISHING NOTICE OF APPLICATIONS IN THE TEXAS REGISTER

In order to meet the submission deadlines for the applicable issues of the Texas Register, it is necessary for the Department to establish the schedule included below. Completed applications received after the deadline for the month cannot be published until the following month.

<u>Published In</u>	<u>Deadline for Receipt</u>
December, 2004	Friday, December 10
January, 2005	Friday, January 14
February, 2005	Friday, February 11

HOLIDAY SCHEDULE FOR TCUD

The Department's office will be closed on **December 24** in observance of Christmas.



*All of us join in wishing you a wonderful
Holiday Season with the very best of everything
in the coming new year!*

APPLICATIONS APPROVED

Applications approved since October 31, 2004 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
Field of Membership Change(s) Approved:	
LCRA Credit Union (Austin) (#2)	See Newsletter No. 09-04
LCRA Credit Union (Austin) (#3) (Amended)	See Newsletter No. 09-04
Persons who live, work, attend school, or worship in, and businesses located within a 10-mile radius of LCRA Credit Union's offices located at: 3701 Lake Austin Blvd., Austin, TX 78703 and 3505 Montopolis, Austin, TX 78744.	
GPS Community Credit Union (Galena Park) (#5)	See Newsletter No. 09-04
Texas Telcom Credit Union (Dallas) (Amended)	See Newsletter No. 09-04
Persons who live in, work in, attend school in, or worship in, and businesses located within a 10-mile radius of Texas Telcom Credit Union's office located at: 8818 Garland Road, Dallas, TX 75218.	
Memorial Hermann Credit Union (Houston)	See Newsletter No. 09-04
First Community Credit Union of Houston (Houston) (#1)	See Newsletter No. 09-04

Field of Membership Change(s) Denied:

GPS Community Credit Union (Galena Park) (#3)	See Newsletter No. 09-04
First Community Credit Union of Houston (Houston) (#4)	See Newsletter No. 09-04
First Community Credit Union of Houston (Houston) (#5)	See Newsletter No. 09-04

Merger(s) or Consolidation(s) Changes Approved:

Texas Crossroads FCU with Texas Dow Employees CU	See Newsletter No. 08-04
DARCO Employees FCU with East Texas Professional CU	See Newsletter No. 09-04

APPLICATIONS RECEIVED

The following applications were received and published in the November 26, 2004 issue of the Texas Register.

Field of Membership Expansion(s):

The Education Credit Union (Amarillo) – To permit members of the WTAMU Alumni Association, to be eligible for membership in the credit union.

St. Joseph's Credit Union (San Antonio) -- To allow persons who live, worship, attend school, or work in Crockett, Kinney, Maverick, Sutton, Terrell, Val Verde, and Edwards Counties, Texas, to be eligible for membership in the credit union.

Applications Received (Continued):

Texas Dow Employees Credit Union (Lake Jackson) -- To permit members of the International Union of Operating Engineers Local 564 located at 127 Circle Way, Suite A, Lake Jackson, Texas 77566, to be eligible for membership in the credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Credit unions that wish to comment on any application must also complete a Notice of Protest form. The form may be obtained by contacting the Department at (512) 837-9236 or downloading the form at <http://www.tcud.state.tx.us/applications.html>. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

Articles of Incorporation Change(s):

GPS Community Credit Union (Galena Park) – The credit union is proposing to change its name to United Community Credit Union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

The following application was received and will be published in the December 3, 2004 issue of the Texas Register.

Merger(s) or Consolidation(s) Changes:

An application was received from **First Service Credit Union** (Houston) seeking approval to merge with **Houston Association of Realtors Credit Union** (Houston) with **First Service Credit Union** being the surviving credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.